

Oregon Incentives for Green Diesel Technologies

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Tools and Incentives for Green Diesel Technology:

Lower Emissions, Higher Profits

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Department of Energy's Mission



Ensure Oregon has an adequate supply of reliable and affordable energy and is safe from nuclear contamination, by helping Oregonians save energy, develop clean energy resources, promote renewable energy and clean up nuclear waste.

Oregon Dept. of Energy History

1975-Oregon Department of Energy established

1979-Energy Loan Program and Business Energy Tax Credit created

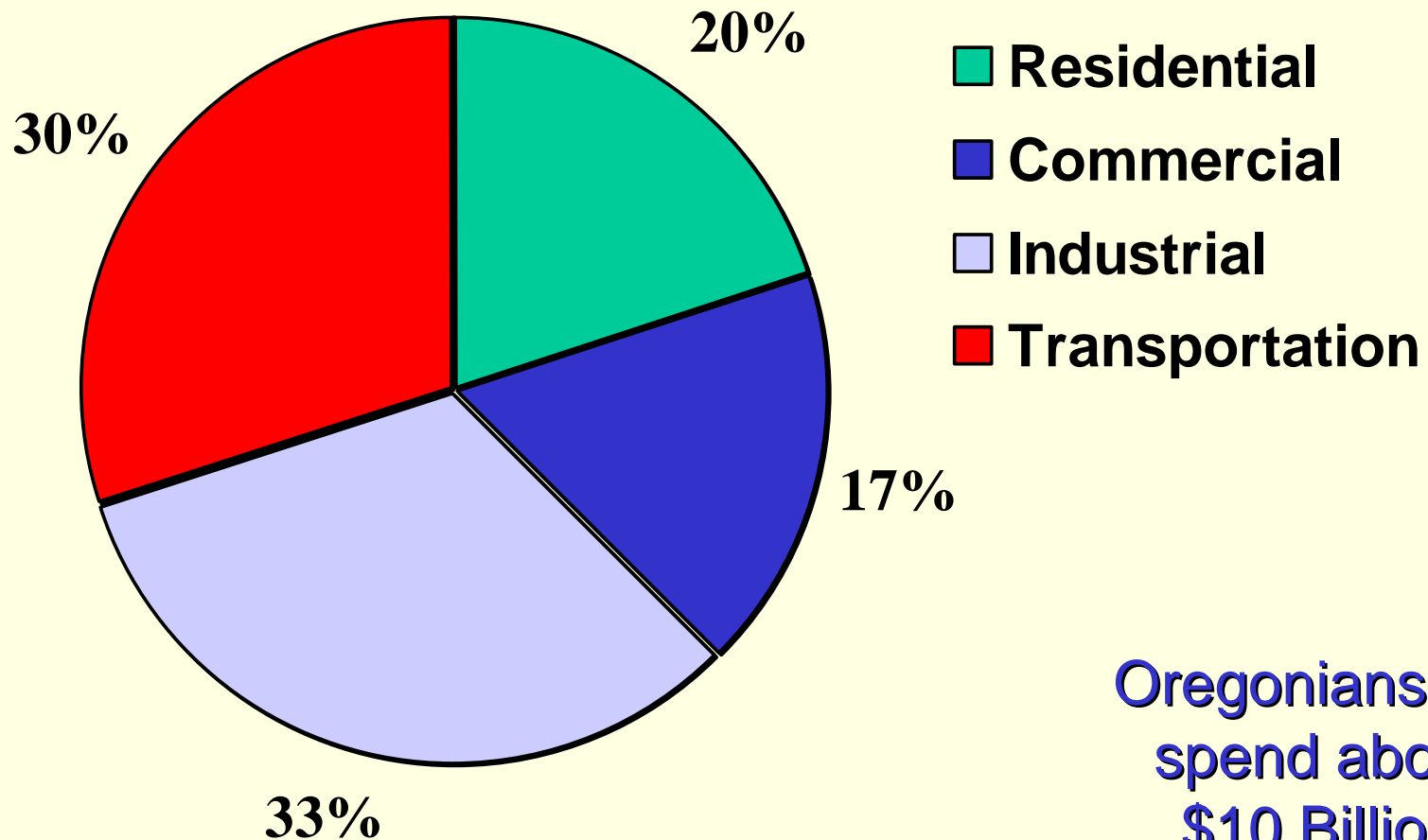
1991-Transportation category begins, AFV's and conversions

2001-Pass-through option is

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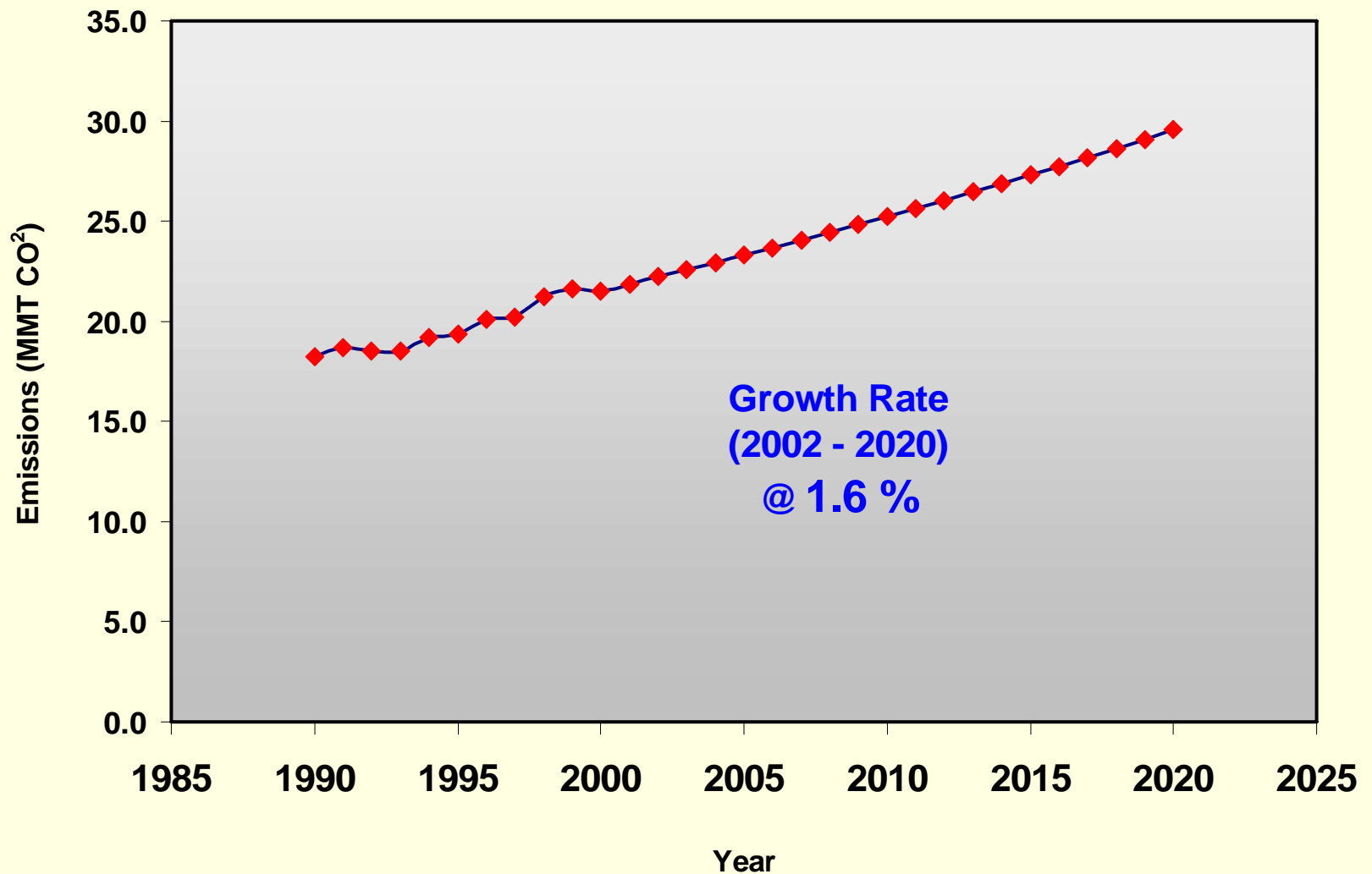


Oregon Energy Use by Sector



Oregonians will
spend about
\$10 Billion
in 2006

Transportation Trend



ODOE's Transportation Policy

❑ **Reduce Vehicle Miles Traveled**

- Land use, mass transit, bicycles, telework

❑ **Vehicle Efficiency**

- High mileage vehicles (ie. hybrids)
- Efficient Truck Technology (APU, Aero, Wheels)

❑ **Alternative Fuels**

- Biofuels
(ethanol and biodiesel)



Business Energy Tax Credit

- ❑ Incentive program (not reward)
- ❑ Owner must apply before project start
- ❑ Credit is 35% of eligible project costs
- ❑ Project owners pay review fee (0.75% of eligible costs)
- ❑ Tax credit taken over 5 years (10%, 10%, 5%, 5% and 5%)
- ❑ If eligible costs are \$20,000 or less, credit taken in one year



OREGON
DEPARTMENT OF
ENERGY

Business Energy Tax Credit

Requirements or Barriers

- 10 percent savings (Conservation Projects)
- Third party verification of savings (EPA or CARB)

Must be located within the geographic confines of Oregon

- Vehicles must be base plated in Oregon (have used other criteria for trains & are looking into water based projects)



Business Energy Tax Credit

- ❑ Over 880 Anti-Idle projects have received a pre-cert since 2004
- ❑ Estimated fuel savings of over 450,000 gal/yr
- ❑ RD&D trucking based projects, Freightliner wind tunnel & Everybody Wins
- ❑ Truck stop electrification



What is the Pass-through Option?

The pass-through option allows a project owner to transfer their tax credit eligibility to a business or individual with a tax liability in exchange for a lump-sum payment.

The net present value for projects over \$20,000 is 25.5%, under 30.5%



Energy Loan Program

Loan to all types of applicants: public, private, tribes, non-profits

Loans for: efficiency, renewables, recycled products, and alternative fuels

5 to 20 year terms, approval within 2 weeks if less than \$100,000

Technical support, flexibility on terms and structure, can include most costs in the loan

Easy process



- ◆ Based on Oregon's experience, we can limit CO₂ emissions and improve our economy.
- ◆ Education and efficient use of resources is essential.
- ◆ Renewable resources are Oregon's most beneficial resources.

